

("NASD") filed with the Securities and Exchange Commission on August 5, 1977, and amended on August 24, 1977, a proposed rule change as follows:

NASD'S STATEMENT OF THE TERMS OF SUBSTANCE OF THE PROPOSED RULE CHANGE

The following is the full text of proposed paragraph G of Part IV of Schedule D under Article XVI of the By-Laws:

G. Refund of Charges to Subscribers.
The Board of Governors may, at any time, refund to subscribers any charges or portion of charges that it deems appropriate. Such action shall be subject to approval by the Securities and Exchange Commission.

NASD'S STATEMENT OF PURPOSE OF PROPOSED RULE CHANGE

The proposed rule change would codify the Board of Governors' existing authority to refund NASDAQ charges to subscribers.

NASD'S STATEMENTS AS TO BASIS UNDER THE ACT FOR PROPOSED RULE CHANGE, COMMENTS RECEIVED, AND BURDEN ON COMPETITION

Section 15A(b)(5) provides that an association of brokers and dealers shall not be registered as a national securities association unless the Commission determines that the rules of the association provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the association operates or controls.

Article XVI of the NASD By-Laws provides that the Board of Governors may amend Schedule D without recourse to the membership.

Comments of the membership were not solicited nor received.

It is felt that no burden on competition is imposed by the proposed rule change.

Within 35 days of the date of publication of this notice in the FEDERAL REGISTER, or within such longer period (i) as the Commission may designate up to ninety (90) days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the above-mentioned self-regulatory organization consents, the Commission will:

- (a) By order approve such proposed rule change, or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons desiring to make written submissions should file six (6) copies thereof with the Secretary of the Commission, Securities and Exchange Commission, Washington, D.C. 20549. Copies of the filing with respect to the foregoing and of all written submissions will be available for inspection and copying in the Public Reference Room, 1100 L Street NW., Washington, D.C. Copies of such filing will also be available for inspection and copying at

the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number referenced in the caption above and should be submitted on or before September 22, 1977.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

AUGUST 26, 1977.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.77-26008 Filed 9-6-77;8:45 am]

[Release 34-13696; File No. SR-NASD-77-14]

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Proposed Rule Change by Self-Regulatory Organizations

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"), 15 U.S.C. 78s(b)(1) as amended by Pub. L. 94-29, 15 (June 4, 1975), notice is hereby given that the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and Exchange Commission on August 23, 1977, and amended on August 24, 1977, a proposed rule change as follows:

NASD'S STATEMENT OF THE TERMS OF SUBSTANCE OF THE PROPOSED RULE CHANGE

The following is the text of action taken by the NASDAQ, Inc. Board of Directors and the NASD Board of Governors:

- (A) A refund of \$1,000,000 be dispersed to NASDAQ Level 1, 2, and 3 subscribers subsequent to September 30, 1977.
- (B) The amount of an individual subscriber refund be determined on a pro rata basis of NASDAQ billings for Level 1, 2, and 3 services for fiscal year 1977.

NASD'S STATEMENT OF PURPOSE OF PROPOSED RULE CHANGE

The Board of Governors determined at its meetings in July 1977 to refund \$1,000,000 to NASDAQ subscribers. The refund will be applicable to Level 1, 2, and 3 subscribers on a pro rata basis to be calculated on billings for the period October 1, 1976, through September 30, 1977.

Subscribers to the NASDAQ Consolidated Quotations Service and the NASDAQ Transaction Reporting System will not participate in the refund. Both the NASDAQ, Inc. Board of Directors and the NASD Board of Governors determined to apply the refund only to those subscriber services in which the revenues of the particular service were at a level that exceeded current operating expenses and amortized development costs. The Consolidated Quotations Service and Transaction Reporting System financial data indicated that current revenues for each of these services were below such levels.

In addition, NASDAQ issuers will not participate in the refund in light of the fact that the basis for the NASDAQ entry and annual fees is to provide for the limited sharing by NASDAQ companies of the costs related to the regulation of the NASDAQ system.

NASD'S STATEMENTS AS TO BASIS UNDER THE ACT FOR PROPOSED RULE CHANGE, COMMENTS RECEIVED, AND BURDEN ON COMPETITION

Section 15A(b)(5) provides that an association of brokers and dealers shall not be registered as a national securities association unless the Commission determines that the rules of the association provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the association operates or controls.

Comments of the membership were not solicited nor received.

BURDEN ON COMPETITION

It is felt that no burden on competition is imposed by the proposed rule change.

Within 35 days of the date of publication of this notice in the FEDERAL REGISTER, or within such longer period (i) as the Commission may designate up to ninety (90) days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the above-mentioned self-regulatory organization consents, the Commission will:

- (a) By order approve such proposed rule change, or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons desiring to make written submissions should file six (6) copies thereof with the Secretary of the Commission, Securities and Exchange Commission, Washington, D.C. 20549. Copies of the filing with respect to the foregoing and of all written submissions will be available for inspection and copying in the Public Reference Room, 1100 L Street NW., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number referenced in the caption above and should be submitted on or before September 27, 1977.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

AUGUST 26, 1977.

[FR Doc.77-26009 Filed 9-6-77;8:45 am]

PACIFIC STOCK EXCHANGE INC.

Application for Unlisted Trading Privileges and of Opportunity for Hearing

AUGUST 29, 1977.

In the Matter of An Application of the Pacific Stock Exchange Inc., For Unlisted Trading Privileges in a Certain Security.

The above named national securities exchange has filed an application with the Securities and Exchange Commis-

sion pursuant to Section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the security of the company as set forth below, which security is listed and registered on one or more other national securities exchanges:

Lehman Corp., File No. 7-4977, Common Stock—\$1 Par Value.

Upon receipt of a request, on or before September 13, 1977, from any interested person, the Commission will determine whether the application with respect to the company named shall be set down for hearing. Any such request should state briefly the title of the security in which he is interested, the nature of the interest of the person making the request, and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on the said application by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, not later than the date specified. If no one requests a hearing with respect to the particular application, such application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.77-26005 Filed 9-6-77; 8:45 am]

PHILADELPHIA STOCK EXCHANGE INC.
Application for Unlisted Trading Privileges
and of Opportunity for Hearing

AUGUST 29, 1977.

In the Matter of An Application of the Philadelphia Stock Exchange, Inc., For Unlisted Trading Privileges in a Certain Security.

The above named national securities exchange has filed an application with the Securities and Exchange Commission pursuant to Section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the security of the company as set forth below, which security is listed and registered on one or more other national securities exchanges:

Bell & Howell Co. (Delaware), File No. 7-4979, Common Stock—No Par Value.

Upon receipt of a request, on or before September 13, 1977, from any interested person, the Commission will determine whether the application with respect to the company named shall be set down for hearing. Any such request should state briefly the title of the security in which he is interested, the nature of the interest of the person making the request, and the position he proposes to take at the

hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on the said application by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, not later than the date specified. If no one requests a hearing with respect to the particular application, such application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.77-26006 Filed 9-6-77; 8:45 am]

PHILADELPHIA STOCK EXCHANGE INC.
Application for Unlisted Trading Privileges
and of Opportunity for Hearing

AUGUST 29, 1977.

In the Matter of An Application of the Philadelphia Stock Exchange, Inc., For Unlisted Trading Privileges in a Certain Security.

The above named national securities exchange has filed an application with the Securities and Exchange Commission pursuant to Section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the security of the company as set forth below, which security is listed and registered on one or more other national securities exchanges:

Lehman Corp. (Maryland), File No. 7-4978, Common Stock—\$1 Par Value.

Upon receipt of a request, on or before September 13, 1977, from any interested person, the Commission will determine whether the application with respect to the company named shall be set down for hearing. Any such request should state briefly the title of the security in which he is interested, the nature of the interest of the person making the request, and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on the said application by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, not later than the date specified. If no one requests a hearing with respect to the particular application, such application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.77-26007 Filed 9-6-77; 8:45 am]

[Release No. 34-13901, 35-20154, IC-9914]

RE-EXAMINATION OF RULES RELATING TO SHAREHOLDER COMMUNICATIONS, SHAREHOLDER PARTICIPATION IN CORPORATE ELECTORAL PROCESS AND CORPORATE GOVERNANCE GENERALLY

AGENCY: Securities and Exchange Commission.

ACTION: Publication of issues to be considered at hearings and order of hearings.

SUMMARY: In Securities Exchange Act Release No. 13482 (April 28, 1977), 42 FR 23901 (May 11, 1977), the Commission announced that it would hold public hearings concerning shareholder communications, shareholder participation in the corporate electoral process and corporate governance. Subsequently, in Securities Exchange Act Release No. 13686 (June 27, 1977), 42 FR 33834 (July 1, 1977), the Commission indicated that in formulating the specific issues to be covered by the hearings it would consider the views of any person who submitted comments on or before August 1, 1977. Based upon its review of the written comments received, the Commission has published a series of questions which will be considered at the hearings. The Commission has also published an order which specifies procedures for the hearings.

DATES: Hearings will commence on September 29, 1977 in Washington, D.C.; on October 11, 1977 in Los Angeles, Calif.; on October 18, 1977 in New York, N.Y.; and on November 1, 1977 in Chicago, Ill.

ADDRESSES: All communications should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street NW., Washington, D.C. 20549 and should refer to File No. S7-693. All comments received in connection with these proceedings will be available for public inspection at the Commission's Public Reference Room, 1100 L Street NW., Washington, D.C. 20549; and at the following Regional Offices of the Commission: 10960 Wilshire Boulevard, Los Angeles, Calif. 90024; 26 Federal Plaza, New York, N.Y. 10007; and Everett McKinley Dirksen Bldg., 219 South Dearborn Street, Chicago, Ill. 60604. A staff summary of comments received by August 1, 1977, is also available for inspection. A copy of this summary and representative comment letters may be obtained by writing to Barbara L. Leventhal, Special Counsel, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549.

FOR FURTHER INFORMATION CONTACT:

Barbara L. Leventhal or Richard B. Nesson, Division of Corporation Finance, Securities and Exchange Commission, Washington, D.C. 20549 (202-755-1750 or 202-755-1742).

SUPPLEMENTARY INFORMATION:

The public hearings which are scheduled to commence on September 29, 1977, are for the purpose of giving the Commission the benefit of the views of interested members of the public with respect to the subjects of shareholder communications, shareholder participation in the corporate electoral process and, more generally, corporate governance, in order to assist the Commission in a broad re-examination of Regulation 14A (17 CFR 240.14a-1 et seq.) promulgated under section 14(a) of the Securities Exchange Act of 1934 ("Exchange Act") (15 U.S.C. 78a et seq., as amended by Pub. L. No. 94-29 (June 4, 1975)) relating to the solicitation of proxies and other applicable statutory provisions, rules and regulations. At the conclusion of these hearings, the Commission will determine whether it is necessary or appropriate in the public interest or for the protection of investors to propose amendments to Regulation 14A, to propose amendments to other applicable rules or to recommend legislation to Congress.

I. INTRODUCTION

In Securities Exchange Act Release No. 13482, the Commission stated that fundamental and far-reaching issues have been raised concerning the adequacy and effectiveness of shareholder participation in corporate governance. The release noted that numerous recent examples of an apparent breakdown in corporate accountability have led informed commentators to question the efficacy of existing methods of corporate governance.

The traditional concept that boards of directors serve as a check on corporate management and that the board is answerable to shareholders by virtue of their elective power has been questioned in light of the fact that board elections are frequently a ratification of management nominees and that shareholders who wish to participate more fully in the affairs of their corporations are often frustrated and discouraged by the difficulties such participation entails under the present regulatory system. The release indicated that the Commission would study these issues on a broad basis in connection with a re-examination of its proxy rules.

In response to the inquiries set forth in the release cited above, the Commission has received numerous thoughtful and useful letters of comment from interested persons. Many of these comments, however, express the view that it would not be practical or desirable to increase the role of shareholders in corporate governance through changes in the proxy rules. While the proxy solicitation process is indeed a central focus of the present inquiry, it is clear that the issues being studied transcend the proxy rules in significance, and include the broader and more fundamental question of how corporations can best be made more responsive to their shareholders and the public at large.

Accordingly, the Commission encourages comment on other means—unrelated to the proxy solicitation mechanism—to stimulate increased shareholder interest and participation in corporate governance and to improve corporate accountability. The Commission recognizes that some methods of achieving this goal may be beyond the scope of its existing authority. The Commission specifically requests public comments on the desirability of federal legislation such as a bill establishing minimum federal standards of corporate

conduct and shareholders' rights. Based upon the results of this proceeding, the Commission will give careful consideration to the advisability of recommending such legislation to Congress.

II. ISSUES TO BE CONSIDERED AT THE HEARINGS

Securities Exchange Act Release No. 13482 (April 28, 1977), contained a number of inquiries on which public comments were requested. By August 1, 1977, the Commission had received approximately 140 letters of comment from interested members of the public, including corporations, business associations, bar associations, attorneys, public interest groups, individual investors, religious and educational organizations, academics and others.

The Commission has now completed its review of these comments and, based on this review, has determined that the questions set forth below be considered at the hearings. These questions are, in certain cases, the same as those previously published and in other cases reflect a modification of the earlier inquiries, either for the purpose of clarification or in response to specific suggestions offered by various commentators. These questions are as follows:

A. OBTAINING SHAREHOLDERS' VIEWS ON SIGNIFICANT MATTERS

(1) What types of socially significant matters, if any, are material (within the meaning of rule 14a-9) to shareholders in making informed voting decisions? In this regard, is there a difference between information necessary to an informed voting decision and information necessary to an informed investment decision?

(2) Whether or not information relating to socially significant matters, including matters relating to the environment and employment practices,¹ is material within the meaning of rule 14a-9, would it be appropriate for the Commission to exercise its rule-making authority under section 14(a) to require disclosure of such information in proxy statements and/or annual reports to shareholders?

(a) If so, should the Commission specify matters which are proper subjects for disclosure? Alternatively, should corporate boards of directors be permitted to specify matters which are proper subjects for disclosure?

(b) What standards should be applied to identify which matters are proper subjects for disclosure?

(3) Should the Commission amend rule 14a-8 to modify the requirements for inclusion of shareholder proposals in management's proxy materials?

(a) Should the Commission require the inclusion in management's proxy materials of shareholder proposals which are not proper subjects for action by shareholders under the laws of the issuer's domicile? Is this result consistent with congressional intent in enacting section 14(a)?

(b) Should the Commission modify its existing requirements that the subject matter of proposals be significantly related to the

business of the issuer and not related to the conduct of ordinary business operations of the issuer? If so, what standards should be applied?

(c) Should the Commission amend the existing requirement that shareholders or their representatives appear personally to present proposals at annual meetings?

(d) Should the right to have proposals included in management's proxy materials be subject to certain criteria, such as ownership of a minimum percentage or dollar value of a class of securities?

(4) Should the Commission amend its proxy rules to provide a means for shareholders to present their views on management proposals in management's proxy materials? If so, what means would be appropriate? Conversely, should the Commission place any limitations on the extent to which management may comment upon or make recommendations with respect to shareholder proposals?

(5) Should the Commission amend its proxy rules to require issuers to provide shareholders with shareholder lists upon request? If so, under what circumstances and subject to what conditions should shareholder lists be provided?

(6) Should the Commission amend its rules to require brokers who hold securities as nominees for their customers to forward to the beneficial owners nonmanagement proxy soliciting materials?

(7) What would be the costs and benefits of 1-6 above? Can these costs and benefits be quantified? If not, why?

B. SHAREHOLDER PARTICIPATION IN CORPORATE GOVERNANCE

(1) Should shareholders have access to management's proxy soliciting materials for the purpose of nominating persons of their choice to serve on the board of directors?

(a) Would a Commission rule granting shareholders such access be in conflict with state law? Is this result consistent with Congressional intent in enacting section 14(a)?

(b) If the Commission determines to adopt such a rule, what type of rule would be most appropriate? What criteria, if any, should be applied to shareholders who wish to have access to management's proxy soliciting materials for the purpose of making nominations?

(i) For example, should the right to make nominations in management's proxy materials be conditioned on the ownership of a minimum percentage or dollar value of a class of securities?

(ii) Should there be a limitation on the number of nominees which must be included? If so, what limitations would be appropriate?

(iii) Should all nominations be screened by a nominating committee composed of outside directors or other disinterested persons?

(iv) What disclosures should be required of shareholders who utilize management's proxy soliciting materials for the purpose of making nominations?

(c) Are there soliciting activities preliminary to (1) making a shareholder nomination in management's proxy materials or (2) an election contest to which the proxy rules should not apply? For example, should the Commission amend rule 14a-2 to provide that formation of a group of more than 10 persons is exempt from the application of the proxy rules?

(d) Should shareholders utilizing management's proxy materials for the purpose of making nominations be subject to the requirements of rule 14a-11 (Special Provisions Applicable to Election Contests)?

(2) Should the Commission amend rule 14a-11 to reduce the costs and burdens currently incurred by shareholders and issuers

¹ In *Natural Resources Defense Council v. Securities and Exchange Commission*, F. Supp. _____, CCH Fed. Sec. L. Rep. 196,507 (D.D.C., May 10, 1977), appeal pending C.A.D.C. No. 77-1761, the court, among other things, discussed the appropriateness of the Commission requiring disclosure of such information in proxy statements and information statements even if the information were not required in annual and periodic reports. See generally Securities Act Releases No. 5569 (Feb. 11, 1975), 40 FR 7013; No. 5627 (Oct. 14, 1975), 40 FR 51656; and No. 5704 (May 6, 1976), 41 FR 21632.

in election contests? If so, what amendments would be appropriate?

(3) To what extent should corporate funds be utilized by management and/or shareholders to solicit proxies for the election of directors?

(4) What additional disclosures, if any, should be required with respect to the financing of proxy solicitations or contests, including settlements thereof?

(5) Should the Commission further consider voting of securities held in "street" or nominee name, including procedures which result in "street" name stock generally being voted for management?

(6) Should institutions, such as bank trust departments, insurance companies, investment companies and pension funds, prior to exercising their voting power, be required to obtain the views of persons having an economic interest in the securities being voted? What types of proxy review policies and procedures are presently employed by institutions? To what extent do institutions exercise their voting power in favor of management?

(7) Are there situations involving conflicts of interest where affiliates or other persons should be required to vote their securities with the majority, or in proportion to the votes of shareholders who do not have such conflicts of interest, in some or all matters affecting the substantive rights of shareholders?

(a) Should other means of "neutralizing" such votes be considered?

(b) Does the Commission have authority to require such neutralization under the federal securities laws?

(8) To what extent might the self-regulatory organizations promulgate rules requiring companies to adopt procedures which improve corporate governance and shareholder democracy as a condition to listing or continued trading of a company's securities?

(9) Are there other steps the Commission could take to improve corporate governance, such as changes in the format of proxies?

(10) Should the Commission consider submitting or supporting legislation to improve corporate governance, such as a federal bill setting minimum standards of conduct for directors or federal chartering? If so, would an express federal private right of action be necessary?

(11) What would be the costs and benefits of 1-10 above? Can these costs and benefits be quantified? If not, why?

C. CHANGES RELATING TO MATTERS TO BE DISCLOSED IN PROXY STATEMENTS OR OTHERWISE IN CONNECTION WITH THE SOLICITATION OF PROXIES

1. Should the Commission amend its proxy rules, specifically Rule 14a-3(b) or Schedule 14A, to require disclosure in proxy statements and/or annual reports to shareholders of:

(a) Whether or not the issuer has a nominating committee, and if so, the identity of the members of this committee;

(b) The existence of any business or personal relationship (e.g., debtor-creditor, supplier-customer, investment banking, legal counseling), between any nominee or his affiliates and the issuer or its officers and directors;

(c) How much time incumbents have devoted to affairs of the corporation during the previous fiscal year and what aspects of the issuer's activities they have dealt with during that year; and

(d) Whether any directors have resigned from the board or have failed to stand for re-election in the last fiscal year and, if so, the reasons therefor?

2. To what extent would the disclosure of certain other board memberships and outside activities reflect potential conflicts of

interest or give any indication of the time available for services to the issuer? Should such disclosure be required?

3. Should the Commission amend Rule 14a-3(b) to require issuers to make the annual report to shareholders available to outside or independent directors who wish to communicate their views on the performance of management or on other matters to shareholders?

4. Should the Commission amend its proxy rules, specifically Item 7 of Schedule 14A, to provide for more detailed or comprehensive disclosure of management remuneration and transactions? If so, what changes would be appropriate?

(a) Should Item 7(a) be amended to require a breakdown of aggregate direct remuneration into its various components, such as salary, bonuses, and personal benefits, including certain benefits sometimes referred to as "perquisites"? In addition, should all personal benefits which exceed a specified dollar value be described separately?

(b) Should the total costs to the issuer of all personal benefits received by officers, directors and employees be disclosed in the aggregate and broken down by category?

(c) Should the disclosure requirements of Item 7 be made applicable to all officers and employees whose aggregate remuneration exceeds a specified dollar amount? Is so, what dollar amount would be appropriate?

(d) Should Item 7 be amended to require disclosure of remuneration for fiscal years in addition to the most recent year?

5. Should the Commission amend Rule 14a-3(b) and/or Schedule 14A, to require disclosure of whether or not post meeting reports or transcripts of annual meetings will be sent or made available to shareholders on request?

6. What would be the cost and benefits of 1-5, above? Can the costs and benefits of such disclosures be quantified? If not, why?

III. ORDER OF HEARINGS

Any interested person desiring to make an oral presentation of his/her views at the hearings is requested to write or call Barbara L. Leventhal or Richard B. Nesson, Division of Corporation Finance 202-755-1750 or 202-755-1742. It has been tentatively determined to limit oral statements to 20 minutes each plus such further time as may be necessary to answer questions. Depending upon the number of persons requesting to be heard, appearances may be more limited. Additional time may be granted at the discretion of the hearing officer upon written request timely submitted with copies of the witness' prepared statement. All witnesses shall be required to submit 25 copies of their prepared statements three business days in advance of their scheduled date of appearance.

Persons making oral statements should be prepared to respond to specific inquiries from the Commission staff. Any person may submit in writing to the hearing officer questions that he wishes to have directed to a particular witness or group of witnesses, but the hearing officer will determine in his sole discretion whether or to what extent to direct those questions to any witness.

* See Securities Act Release No. 5856 (August 18, 1977) in which the Commission emphasized its view that the existing reporting provisions under the Federal securities laws require registrants to include within the remuneration reported all forms of remuneration which are received by management from the corporation, including personal benefits sometimes referred to as "perquisites."

The Commission has designated Richard H. Rowe, Stanley Sporkin, Mary E. T. Beach, and Barbara L. Leventhal as hearing officers of the Commission. The Commission will issue orders designating additional hearing officers as necessary.

The hearings will be conducted for the Commission by the Division of Corporation Finance. Barbara L. Leventhal will act as chief hearing counsel for the Division of Corporation Finance in connection with these hearings.

Interested persons are invited to submit their views on the foregoing questions in writing at any time. Written submissions should be made in triplicate to George Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street NW., Washington, D.C. 20549. Such communications should refer to File No. S7-693.

This public rulemaking proceeding has been ordered by the Commission pursuant to Sections 14(a), 21(a), 22 and 23(a) of the Securities Exchange Act of 1934 and Rule 4(b) of the Commission's Rules of Practice.

(Secs. 14(a), 21(a), 22, 23(a), 48 Stat. 895, 899, 901; sec. 203(a), 49 Stat. 704; sec. 8, 49 Stat. 1379; sec. 5, 78 Stat. 569, 570; sec. 18, 89 Stat. 155; 15 U.S.C. 78n(a), 78u(a), 78v, 78w (a).)

By the Commission.

AUGUST 29, 1977.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 77-26018 Filed 9-6-77; 8:45 am]

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #1351]

IDAHO

Declaration of Disaster Loan Area

Adams County and adjacent counties within the State of Idaho, constitute a disaster area as a result of drought. The survey reflected damage to wells and severe crop losses during the 1976 crop year and continuing into the 1977 crop year. Eligible persons, firms and organizations may file applications for loans for physical damage until the close of business on October 24, 1977, and for economic injury until the close of business on May 22, 1978, at:

Small Business Administration, District Office, 1005 Main St., Boise, Idaho 83702.

or other locally announced locations.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: August 23, 1977.

A. VERNON WEAVER,
Administrator.

[FR Doc. 77-25914 Filed 9-6-77; 8:45 am]

[Declaration of Disaster Loan Area #1365]

IOWA

Declaration of Disaster Loan Area

The following 51 counties and adjacent Counties within the State of Iowa,